FMF FOODS LIMITED

(Formerly Flour Mills of Fiji Limited)

ANNUAL REPORT

2017

20th September, 2017

Dear Shareholder

Subject: Service of documents viz., Notice of Meetings, Annual Report etc. through electronic mode

The new Companies Act, 2015 permits sending notice by electronic means (e-mail) as nominated by the Member (Section 143) and providing Annual Report to Members by publishing on a website if the Member consents in writing to access such report from a website instead of receiving a hard copy of the documents (Section 400).

Sending the notices and reports through electronic mode will definitely reduce paper consumption to a great extent in addition to allowing access to documents promptly and without loss in postal transit. Your Company is committed to contribute to a greener environment and we are sure that as a responsible shareholder, you too will support this initiative. We, therefore, seek your written consent to receive future Notice of Meetings and Annual Reports in electronic format and to have access to such documents published on the Company website : www.fmf.com.fj or on the South Pacific Stock Exchange website : www.spse.com.fj , instead of sending hard copy printed documents by filling in the form attached to this letter.

The completed form could be returned to us as follows:

a) Scanned and emailed to sandeepk@fmf.com.fj ; or
b) Posted / Hand delivered to the address noted below :

The Company Secretary
FMF Foods Limited
P.O.Box 977, Leonidas Street
Walu Bay
Suva

In case you have already sent your consent in the above regard to the Company, you need not send this consent again.

If you do not wish to switch over to the environmentally friendly mode of receiving notice and annual reports by electronic means, no action from you is required to this letter.

Best regards

Sandeep Kumar
Company Secretary

CONSENT FOR RECEIVING NOTICES AND ANNUAL REPORT IN ELECTRONIC MODE

To

The Company Secretary
FMF Foods Limited
P.O.Box 977, Leonidas Street
Walu Bay
Suva

Dear Sir,

I/We shareholder (s) of FMF Foods Limited, agree to receive all notices and documents including the Annual Report, Notice for General Meetings and other Shareholders Communication, from time to time, in electronic mode and to have access to such documents published on the South Pacific Stock Exchange website : www.spse.com.fj or on the Company's website : www.fmf.com.fj

I/We request you to kindly register my/our below mentioned email id in the Company's records for sending such communication through e-mail.

Share Folio No. ___________________

Name of the Sole / First Shareholder :____

Name of the Joint Shareholders (if any) : ____

____

No. of shares held :____

E-mail id for receipt of documents
in electronic mode : ____

Date:

Place: Signature: _________________________
(Sole/ First Shareholder)

FMF FOODS LIMITED (Formerly Flour Mills of Fiji Limited)

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FMF FOODS LIMITED (Formerly Flour Mills of Fiji Limited)

BOARD OF DIRECTORS

Mr. Hari Punja ORDER OF FIJI, OBE, - *Chairman*
Mr. Rohit Punja - *Executive Director*
Mr. Ram Bajekal - *Managing Director*
Mr. Ajai Punja - *Non-Executive Director*
Mr. Gary Callaghan - *Independent Director*
Mr. Pramesh Sharma - *Independent Director*
Ms. Leena Punja - *Alternate to Mr. Hari Punja*

GROUP CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Mr. Sandeep Kumar K

AUDITORS

PricewaterhouseCoopers,
Chartered Accountants,
Suva.

SOLICITORS

M/s Sherani & Co.
M/s Diven Prasad Lawyers

BANKERS

Australia and New Zealand Banking Group Limited

REGISTERED OFFICE

Lot 2, Leonidas Street,
Walu Bay, Suva. Republic of Fiji.
Telephone: +679 330 1188 Fax: +679 330 0944
Email: sandeepk@fmf.com.fj

SHARE REGISTRAR AND SHARE TRANSFER AGENTS

Central Share Registry Limited
Level 2 Provident Plaza 1
FNPF Boulevard
33 Ellery Street, Suva.
Telephone: +679 330 4130 Fax: +679 330 4145
Email: registry@spse.com.fj

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 45th Annual General Meeting (AGM) of FMF Foods Limited will be held on Monday, October 30, 2017 at 4.00 p.m., at the Training Room at Atlantic & Pacific Packaging Company Limited, Leonidas Street, Walu Bay, Suva, Fiji, to transact the following business:-

General Business

Item No.1 – Confirmation of Minutes

To confirm the minutes of the previous Annual General Meeting of the Company held on October 28, 2016.

Ordinary Business

Item No.2 – Adoption of Audited Financial Statements

To receive, consider and adopt the consolidated financial statements of the Group for the year ended June 30, 2017, including the audited statement of financial position as at June 30, 2017, the statement of profit and loss and other comprehensive income for the year ended on that date and the report of the Board of Directors (‘the Board’) and Auditors thereon.

Item No.3 – Appointment of Directors

(a) Mr. Ajai Punja

To appoint a Director in place of Mr. Ajai Punja, who retires by rotation and being eligible in accordance with Article 86 of the Articles of Association of the Company, offers himself for re-appointment.

(b) Mr. Pramesh Sharma

To appoint a Director in place of Mr. Pramesh Sharma, who retires by rotation and being eligible in accordance with Article 86 of the Articles of Association of the Company, offers himself for re-appointment.

Item No.4 – Appointment of Auditors

To appoint Auditors in accordance with Section 422 of the Companies Act, 2015, to hold office from the conclusion of this meeting until conclusion of the next AGM at a remuneration as may be mutually agreed between the Board and the Auditors. The retiring Auditors M/s. PricewaterhouseCoopers, Chartered Accountants, being eligible, offer themselves for appointment.

Special Business

Item No.5 – Adoption of New Articles of Association

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of section 46 and any other applicable provisions of the Companies Act, 2015, the new set of Articles of Association, submitted to this meeting, be and are hereby approved and adopted in substitution for, and to the exclusion, of the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Any Other Business

Any other business brought up in conformity with the Articles of Association of the Company.

By **Order of the Board of Directors**

Sandeep Kumar K
Chief Financial Officer and
Company Secretary

20th September 2017

Registered Office:
Leonidas Street,
Walu Bay, Suva, Fiji

PROXIES

1. A member who is unable to attend the meeting is entitled to appoint a proxy to attend the meeting and vote on his behalf. The proxy need not be a member of the company.
2. A proxy form is enclosed with this Annual Report. To be effective the form must reach the registered office of the company, no less than 48 hours before the time for holding the meeting.

Explanatory Notes:

ORDINARY BUSINESS:

Item No.2 – Adoption of Audited Financial Statements

The audited consolidated statement of financial position as at June 30, 2017, the consolidated statement of profit or loss and other comprehensive income for the year ended on that date, together with the Report of the Board of Directors and Independent Auditors' Report thereon, included in the 2017 Annual Report is for the Shareholders to read prior to the meeting. The audited financial statements of the Company and its subsidiaries (together the 'Group') have been prepared and reported based on a consolidated basis as per the International Financial Reporting Standards (IFRS).

As stipulated in the Articles of Association of the Company, it is a requirement that the Shareholders present at the AGM receive and adopt the above mentioned statements and reports.

Item No.3 – Appointment of Directors

In accordance with Article 84 and 86 of the Articles of Association of the Company, one third of the Directors, based on serving longest in office since their last appointment, shall retire from office and a retiring Director shall be eligible for re-election. Based on this, Mr. Ajai Punja and Mr.Pramesh Sharma would retire by rotation and are eligible to be re-elected.

The Board proposes that Mr. Ajai Punja and Mr. Pramesh Sharma be re-appointed as Directors of the Company as it considers that each nominee possesses attributes necessary for the development of the Company.

A brief profile of the retiring Directors seeking re-appointment is as follows:

Ajai Punja:

Mr. Ajai Punja joined the Board of Directors of the Company in June 2009. He did his education from New South Wales Institute of Technology, Australia, specializing in Marketing & Commerce and has vast experience in the commercial sector spanning over 25 years. Mr. Ajai Punja holds Directorship in various companies including Fiji Television Limited, Petroleum & Gas Company (Fiji) Ltd. etc.

Pramesh Sharma:

Mr. Pramesh Sharma was appointed as a non-executive Director of the Company in November, 2010. Mr. Pramesh Sharma works with BSP Life in the capacity of Executive Director and General Manager-Investments and has rich experience in the corporate sector, having worked previously with organisations such as Merchant Bank of Fiji and Westpac Banking Corporation in senior roles.

Item No.4 – Appointment of Auditors

The Board proposes that M/s.PricewaterhouseCoopers, Chartered Accountants be re-appointed as the Auditors of the Company until the conclusion of the next Annual General Meeting and that the Board be authorised to fix their remuneration.

The retiring Auditors M/s. PricewaterhouseCoopers have consented in writing to act as Auditors and offer themselves for re-appointment.

SPECIAL BUSINESS:

Item No.5 – Adoption of New Articles of Association

The Articles of Association of the Company currently in force were originally adopted when the Company was incorporated under the Companies Ordinance in year 1971 and further amendments were adopted from time to time pursuant to the provisions under the Companies Act, 1983, Cap 247. Upon enactment of the Companies Act, 2015, various provisions of the erstwhile Companies Act, 1983, Cap 247 have been repealed and in view of the same the Articles of Association of the Company needs to be re-aligned as per the provisions of the new Act. The current Articles of Association contains references to the specific Sections of the erstwhile Companies Act. The Articles of Association of the Company were last amended vide AGM held in October 2016, to amend and incorporate select critical clauses so as to comply with the new Companies Act 2015.

The Board of Directors in its meeting held on 20th September, 2017 decided (subject to the approval of members) to adopt a new set of Articles of Association in place of and to the exclusion of existing Articles of Association of the Company. The draft new Articles of Association is largely based on the model Articles of Association issued by the South Pacific Stock Exchange for listed entities. The proposed new draft Articles of Association is being uploaded on the Company's website www.fmf.com.fj for information of the shareholders and also kept available for inspection and copy on request during office hours at the registered office of the Company up to the date of the meeting.

In terms of Section 46 of the Companies Act, 2015, the consent of the Members by way of special resolution is required for adoption of new set of Articles of Association of the Company.

None of the Directors are concerned or interested in this resolution.

Your Directors recommend passing of this resolution by way of a special resolution.

CHAIRMAN'S REPORT TO THE SHAREHOLDERS

Dear Shareholders,

Fiji is known to be a very resilient country – it has gone through many upheavals and each time it has re-emerged stronger. Post-Winston Fiji in 2016-17 was no different; the economy rebounded splendidly and as per the latest estimate of the Fijian Government, GDP growth is expected to be 3.8% in 2017 and 3.5% in 2018. No doubt, the large amount of cash injected into the system for relief, rebuilding and rehabilitation contributed to the priming of the economy. However, it was equally the subsequent flows towards government's infrastructure and social projects and the private sector's continuing investments that contributed to quick recovery and sustained growth. Your Company has played its part in the process by investing in a spanking-new biscuit manufacturing facility in Veisari, which would have rolled out its first commercial batch of products by the time this report reaches you.

Notwithstanding the large amount of money that came into the system after TC Winston, staple food products did not experience much of a boost, as spending of additional disposable incomes largely went into construction, housing and acquisition of consumer durables, motor vehicles and other assets. One staple food product of your Company that bucked this trend though was rice, which grew on the back of a rather unfortunate shortage of root crops such as dalo and cassava, following TC Winston.

Commodity prices remained subdued during all of 2016 and thus far in 2017, and this sentiment was echoed in the prices of our products. Therefore, while the Group maintained marginal volume growth in most of its products barring biscuits, its revenue earnings were sharply effected by the lower prices. Group Revenue during the year was 5% lower at $202.5 million against $213.7 million in 2015-16. Apart from lower prices, the Group's biscuit business saw a drop in its export sales to New Zealand and Australia. The Company, which had been contract manufacturing for New Zealand's leading biscuit brand 'Griffin's' lost that business after Griffin's was bought over by its new Asian owner who moved this production to their own facility in Thailand. Sales to other housebrand customers also suffered setbacks as Asian competitors were rife in this segment, capturing business with their significant advantage of lower cost indigenous raw materials when compared to our near-total reliance on imported raw materials. Overall, biscuit exports to just these two markets decreased by $7.95 million, reinforcing the importance of focusing on our own brands and reducing dependence on contract manufacture. The Company has been actively engaged in this direction over the past few years and is making headway in Pacific Island Countries where its products continue to enjoy good brand equity. The Company has also had to hold back a bit in the Papua New Guinea market from where forex repatriation is proving difficult.

Despite the lower revenue, your Company was able to maintain profitability close to last year's level and recorded a Group Profit Before Tax of $19.5 million against $20.3 million in 2015-16. Net Profit was $16.9 million against $17.6 million last year (-4%). While lower commodity prices did help our cause, the Company had to draw strongly on cost control measures to retain profitability. Strong performances by subsidiaries The Rice Company of Fiji Limited and Atlantic & Pacific Packaging Company Limited also contributed to overall Group profitability.

Dividend payout from FMF Foods was increased to $2.10 million ($1.8 million last year) while that from its subsidiaries amounted to $4.63 million ($5.23 million last year).

On behalf of the Board of Directors, I would like to take this opportunity to thank our team for their continued commitment to FMF and its progress. I also express my sincere thanks to you and all other stakeholders for the support you continue to give us.

CHAIRMAN'S REPORT (Contd……)

Outlook

The World Bank predicts 2018 to be a year in which certain commodity prices will rise, mainly energy and metals. The agricultural index however, is expected to remain stable with the end of the El Niño/ La Niña cycle. It is estimated that year-end carry-forward stocks of wheat, maize and rice are likely to be at a 15-year high, blunting the risks of very sharp price increases. This is good news for food processing companies. That being said, political rhetoric and posturing by the U.S and North Korea will undoubtedly cause anxiety and speculative activity amongst traders and commodity funds. The frequency and intensity of large-scale natural phenomena such as the recent hurricanes witnessed in the Caribbean and the U.S are also likely to enhance speculation.

As mentioned earlier, your Company's new biscuit factory in Veisari on the outskirts of Suva is ready and we expect to be shipping products very soon. As you may recall, this factory is intended for manufacturing products primarily for the Melanesian market which at the moment is having its fair share of challenges. Especially effected is its largest member country, Papua New Guinea which is experiencing a slowdown and foreign currency crunch after successive years of high growth. In this situation, it is a blessing that your Company was able to complete the new Veisari factory with minimal external borrowings, thanks to its prudent dividend policy that helped retain its earnings for precisely such exigencies. As stated in my Report last year, it is desirable for your Company to remain ready and at the cusp of Papua New Guinea's imminent return to a high-growth situation when the next wave of energy and mining sector investments start to happen in that country. We believe that period is not more than a year away.

Eight of the fourteen Pacific Island Countries, together with Australia and New Zealand signed the Pacific Agreement on Closer Economic Relations Plus (PACER Plus) in June, with a ninth signing up earlier this month. PACER Plus is a comprehensive development-centered Free Trade Agreement covering goods, services and investment that is expected to benefit member countries most in need of development assistance. While its proponents praise it as having the potential to boost island economies by linking development to trade, its critics condemn it on grounds that it unduly favours the interests of Australia and New Zealand while putting the interests and economies of island countries at risk. Amongst other things, PACER Plus provides for eventual tariff reduction in member countries that will allow Australian and New Zealand products to enter these countries duty-free or at reduced rates. This could negate the advantage that Fijian products presently have under the MSG Trade Agreement or PICTA. Fiji and Papua New Guinea have both declined to join this trade agreement. It remains to be seen how all this will pan out in the future.

2018 is an election year for Fiji, but unlike in a lot of countries we don't expect commercial or investment activity to slow down drastically. Large commitments by the Government to infrastructure projects, social and structural reforms including more friendly taxation policies are likely to keep the economy buoyant. Market competitiveness however will continue and even increase, which will keep prices very subdued. Consequently, margins will be under pressure and your Company will need to continue even more strongly with its cost focus and efficiency drive. All in all, I expect 2017-18 to be a year not dissimilar to the one just reviewed.

Hari Punja ORDER OF FIJI, OBE,
Chairman
20th September 2017

FMF FOODS LIMITED (Formerly Flour Mills of Fiji Limited)

Corporate Governance

In June 2008, the Capital Markets Development Authority (now the Capital Markets Unit of Reserve Bank of Fiji) published the Corporate Governance Code for the Capital Market (The Code). The Code articulates 10 core principles together with the best practice recommendations. This code is the basis for the FMF Foods Ltd's (FMF) corporate governance standards.

On a continuous basis, FMF has reviewed its existing policies and has codified / modified policies in line with its goal to improve the standard of corporate governance.

Role of the Board

The role of the Board is to assume accountability for the success of the company by taking responsibility for its direction and management in order to meet its objective of enhancing shareholder value.

The Board

Directors are elected by Shareholders at the Annual General Meeting. One third of the total strength of the Board, retire by rotation each year and are eligible for re-election. Casual vacancies during the year are filled up by the Board till the conclusion of the next Annual General Meeting.

As at the Balance date, the Directors in Office were Messrs. Hari Punja (Chairman), Rohit Punja (Executive Director), Ram Bajekal (Managing Director), Ajai Punja, Gary Callaghan, Pramesh Sharma, and Leena Punja (Alternate to Mr. Hari Punja).

The Non-Executive Independent Directors are paid a Board fee for their service rendered during the year. Currently they are also entitled to an allowance of $1000 per meeting attended, towards travel and accommodation costs. Directors are also covered under a Directors and Officers' Liability Insurance Policy.

Meetings of the Board

The regular business of the Board during its meetings cover business investments and strategic matters, governance and compliance, the Managing Director's report, financial report and performance review of the Company.

During the Financial Year under review the Board met 4 times. The Members' attendance at the Board meetings, during the financial year is given below:

DIRECTOR	Number of Meeting Entitled to Attend	Number of Meetings Attended	Apologies Received
Mr. Hari Punja (Chairman)	4	3	1
Mr. Rohit Punja (Executive Director)	4	4	N/A
Mr. Ram Bajekal (Managing Director)	4	4	N/A
Mr. Ajai Punja (Non-Executive Director)	4	3	1
Mr. Gary Callaghan (Independent Director)	4	2	2
Mr. Pramesh Sharma (Independent Director)	4	4	N/A
Ms. Leena Punja *(Alternate to Hari Punja)*	N/A	N/A	N/A

Sub-committees of the Board

The Board has formally constituted two sub-committees; viz

- The Audit and Finance Committee and
- The Share Transfer Committee.

As at the Balance date, the Audit and Finance Committee comprised Messrs. Gary Callaghan, Rohit Punja, and Ram Bajekal.

The Audit and Finance Committee is responsible for monitoring FMF's financial strategies, reviewing the internal audit reports, monitoring the external audit of the company's affairs, reviewing the financial statements, and monitoring the Company's compliance with applicable laws and stock exchange requirements.

The Executive Management under the directions of this Committee, is also responsible for monitoring the Risk Management to ensure that key business and operational risks are identified and appropriate controls and procedures are put in place to manage those risks.

This sub-committee met four times during the financial year under review. The Executive Management usually takes its major decisions in consultation with the members of the sub-committee, where necessary.

As at the Balance date, the Share Transfer Committee comprised Messrs. Rohit Punja, Gary Callaghan and Ram Bajekal.

The Share Transfer Committee is responsible for approval of share transfers between the shareholders of the company. The Share transfer committee has met 4 times during the year under review.

Responses to the Guidelines on Corporate Governance issued by Reserve Bank of Fiji:

Principle	Company's response
Establish clear responsibilities for Board Oversight	Covered above
Constitute an effective Board	Covered above
Appointment of a Managing Director (MD)	The Board has appointed a suitably qualified and competent Managing Director entrusted with substantial powers of management of the affairs of the Company. He is a professionally qualified Chartered Accountant from the Institute of Chartered Accountants of India and has also studied Management as a Fulbright Fellow for Management Studies at Carnegie Mellon University, Pittsburgh, U.S.A.
Board and Company Secretary	The Company has appointed a suitably qualified and competent Company Secretary. He is a professionally qualified Chartered Accountant from the Institute of Chartered Accountants of India and an Associate Member of the Institute of Company Secretaries of India.
Timely and Balanced disclosure	Board meetings are held at least once in every quarter of the year. The Board is apprised of the company's performance and major decisions are deliberated and passed at Board level. Progress on carrying out strategies is reviewed at these meetings.
Promote ethical and responsible decision – making	FMF promotes and believes that all Directors and Employees uphold high standards, honesty, fairness and equity in all aspects of their employment and association with the Company.
Register of Interests	The Company maintains a Register of Interest wherein the interests of Directors are noted.
Respect the rights of Shareholders	An Annual General Meeting is held every year in accordance with the Articles of Association of the Company. The Annual report is also published each year and circulated to the Shareholders of the Company.
Accountability and Audit	FMF is audited externally each year and receives an independent audit report which forms part of the Annual Report. The Audit and Finance Committee is responsible for overseeing the financial reporting and disclosure process, performance and independence of the external auditors, monitoring internal control processes, reviewing adequacy of the internal audit function and discussing risk management policies and practices with management.
Recognize and Manage Risk	The Executive Management of the Company ensures that key business and operational risks are identified and appropriate controls and procedures are put in place to manage those risks.

DIRECTORS' REPORT

In accordance with a resolution of the Board of Directors, the Directors herewith submit the consolidated statement of financial position of FMF Foods Limited ("the Company") and subsidiaries (together "the Group") as at 30 June 2017 and the related consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and report as follows:

1 Directors

The following were Directors of the Company at any time during the financial year and up to the date of this report:

- Hari Punja Order of Fiji, OBE – Chairman
- Rohit Punja - Executive Director
- Ram Bajekal - Managing Director
- Ajai Punja
- Gary Callaghan
- Pramesh Sharma
- Leena Punja (Alternate Director to Hari Punja)

2 Principal activities

The principal activities of the Group comprise of milling of wheat, whole dunfield peas, manufacturing of packaging materials including corrugated cartons, assorted containers and bags, manufacturing of biscuits and snack food products, sale of rice, wheat and related products and investments.

3 Trading results

The net profit after income tax of the Group attributable to the members of the Company for the year was $15.68m (2016: $16.94m).

4 Provisions

There were no material movements in provisions.

5 Dividends

During the year, your Company has declared an interim dividend of 1.40 cents per equity share (2016: 1.20 cents) entailing outflow of $2.10m (2016: $1.80m). No further dividend is recommended for the financial year ended 30 June 2017.

6 Going concern

The financial statements have been prepared on a going concern basis. We consider the application of the going concern principle to be appropriate in the preparation of these financial statements as we believe that the Group has adequate funds to meet its liabilities as and when they fall due over the next twelve months.

DIRECTORS' REPORT (Cont'd)

7 Bad and doubtful debts

The Directors took reasonable steps before the financial statements were made out, to ascertain that all known bad debts were written off and adequate provision was made for doubtful debts. At the date of this report, the Directors are not aware of any circumstances which would render the amount written off for bad debts, or the amount of the allowance for doubtful debts, inadequate to any substantial extent.

8 Current assets

The Directors took reasonable steps before the financial statements were made out to ascertain that the current assets of the Group were shown in the accounting records of the Group at a value equal to or below the value that would be expected to be realised in the ordinary course of the business. At the date of this report, the Directors are not aware of any circumstances which would render the values attributable to the current assets in the financial statements misleading.

9 Events subsequent to balance date

No charge on the assets of the Group has arisen since the end of the financial year to the date of this report to secure the liabilities of any other person.

No contingent liability has arisen since the end of the financial year to the date of this report.

No contingent or other liability has become enforceable or is likely to become enforceable within a period of twelve months after the date of this report which, in the opinion of the Directors, will or may affect the ability of the Group to meet its obligations as and when they fall due.

10 Related party transactions

In the opinion of the Directors all related party transactions have been adequately recorded in the books of the Group.

11 Other circumstances

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements which would render any amounts stated in the financial statements misleading.

12 Unusual transactions

The results of the Group's operations during the year have not in the opinion of the Directors been substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in the financial statements.

DIRECTORS' REPORT (Cont'd)

13 Directors' and executive managements' interests

Interest of Directors, Executive Management and any additions thereto during the year in the ordinary shares of the Company are as follows:

	Beneficially		Non-Beneficially	
	Additions	Holding	Additions	Holding
Hari Punja	-	-	-	106,124,847
Gary Callaghan	-	1,700,225	-	1,487,240
Ajai Punja	-	-	-	106,124,847
Rohit Punja	-	-	-	106,124,847
Leena Punja (Alternate to Hari Punja)	-	-	-	106,124,847
Anuj K Patel	-	17,500	-	-

14 Directors' benefits

No Director of the Company has, since the end of the previous financial year, received or become entitled to receive a benefit (other than a benefit included in the total amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of any contracts made by the Company with the Director or with a firm of which he/she is a Member, or with a company in which he/she has substantial financial interest.

For and on behalf of the Board and in accordance with a resolution of the Directors.

Dated this 20th day of September 2017.

....
Director

....
Director

DIRECTORS' DECLARATION

The declaration by Directors is required by the Companies Act, 2015.

The Directors of the Company have made a resolution that declares:

a) In the opinion of the Directors, the financial statements of the Group for the financial year ended 30 June 2017:

   i) comply with the International Financial Reporting Standards and give a true and fair view of the financial position of the Group as at 30 June 2017 and of the performance and cash flows of the Group for the year ended 30 June 2017; and

   ii) have been prepared in accordance with the Companies Act, 2015.

b) The Directors have received independence declaration by auditors as required by Section 395 of the Companies Act, 2015; and

c) At the date of this declaration, in the opinion of the Directors, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

For and on behalf of the Board and in accordance with a resolution of the Directors.

Dated this 20th day of September 2017.

.... Director

.... Director

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF FMF FOODS LIMITED

As group auditor for the audit of FMF Foods Limited and its subsidiaries for the financial year ended 30 June 2017, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the Companies Act 2015 in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of FMF Foods Limited and the entities it controlled during the financial year.

PricewaterhouseCoopers
Chartered Accountants

PricewaterhouseCoopers

by

Kaushick Chandra
Partner

PricewaterhouseCoopers, Level 8 Civic Tower, 272 Victoria Parade, Suva, Fiji.
GPO Box 200, Suva, Fiji.
T: (679)3313955 / 3315199, F: (679) 3300947

Independent Auditor's Report

To the Shareholders of FMF Foods Limited

<u>Report on the audit of the consolidated financial statements</u>

Opinion

We have audited the accompanying consolidated financial statements of FMF Foods Limited and subsidiaries (together the 'Group'), which comprise the consolidated statement of financial position as at 30 June 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the ethical requirements of the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code) that are relevant to our audit of the consolidated financial statements in Fiji, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers, Level 8 Civic Tower, 272 Victoria Parade, Suva, Fiji.
GPO Box 200, Suva, Fiji.
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pwc

Key audit matter	How our audit addressed the key audit matter
Timing of revenue recognition – Export Sales **Refer also to Notes 2.18** Timing of recognition of export revenues was considered as a key audit matter as export revenues represents a significant portion of total Group revenues and the appropriate recognition of export revenue is dependent on export sales shipping terms. These terms vary by customer and delivery of goods to customers may take up to a month, increasing the risk of premature recognition of revenues relating to export sales transactions occurring close to the year end.	In order to address the risk of misstatement related to cut-off in revenue recognition, we tested the company's controls around revenue recognition and tested individual transactions occurring either immediately before or after the year end. Our audit procedures included, amongst others, the following in response to the cut off of revenue recognition: • Understanding, evaluating the appropriateness of, and where applicable validating the Group's accounting policies, processes and controls over revenue. • Validating the controls in revenue recognition for export sales • Testing revenue cut off assertions for export sales. Our tests of detail focused on transactions occurring within proximity of the year end in obtaining evidence to support the appropriate timing of revenue recognition, based on terms of trade. • Testing supporting evidence for a sample of export sales during the year to ensure appropriate revenue recognition. • Obtaining accounts receivable confirmations for the export customers and performing subsequent receipts testing where confirmations were not received. • Evaluation of the relevant IT systems and the design and operating effectiveness of controls over the capture and recording of revenue transactions.

Key audit matter	How our audit addressed the key audit matter
Measurement of wheat inventory **Refer also to Notes 2.10 and 12** Existence of wheat inventory stored in silos was considered as a key audit matter as it represents a significant portion of the Group's raw material balance and measurement of volume of the wheat inventory on hand at year end involves judgement and estimates.	Our audit procedures included, amongst others, the following in response to the valuation of wheat inventory: • Understanding, evaluating the appropriateness of, and where applicable validating the Group's accounting policies, processes and controls over inventory. • Attendance at annual inventory count for wheat inventory to ensure existence of inventory at balance date. • Reperforming valuation calculations performed by management to ensure these were accurate • Agreeing inputs to Group management's valuation calculation model to supporting documentation, and externally available industry data • Performing a sensitivity analysis for significant inputs to the valuation calculation model • Assessing the adequacy of provision for impairment of wheat inventory in accordance with the Group's accounting policy, and in light of the ageing of inventory and historical and current levels of inventory write-offs.

Other Information

Directors and Management are responsible for the other information. The other information comprises the information included in the Group's Annual Report for the year ended 30 June 2017 (but does not include the consolidated financial statements and our auditor's report thereon).

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Management for the Consolidated Financial Statements

Directors and Management are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and with the requirements of the Fiji Companies Act 2015, and for such internal control as the Directors and Management determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors and Management are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors and Management either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Directors and Management are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors and management.

- Conclude on the appropriateness of the directors' and management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with Directors and Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Directors and Management with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Directors and Management, we determine those matters that were of most significance in the audit of the consolidated financial statements for the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion the consolidated financial statements have been prepared in accordance with the requirements of the Fiji Companies Act 2015 in all material respects, and;

a) we have been given all information, explanations and assistance necessary for the conduct of the audit; and

b) the Group has kept financial records sufficient to enable the consolidated financial statements to be prepared and audited.

Restriction on Use

This report is made solely to the Company's shareholders, as a body, in accordance with Section 396(1) of the Fiji Companies Act 2015. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants

Kaushick Chandra
Partner

Suva, Fiji
20 September 2017

FMF FOODS LIMITED AND SUBSIDIARIES

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 $'000	2016 $'000
Revenue	33(b)	202,534	213,715
Other operating income	6	3,819	2,022
Changes in inventories of finished goods and work in progress		418	1,606
Raw materials and consumables used		(131,795)	(144,251)
Staff costs		(16,372)	(15,359)
Depreciation		(6,175)	(7,100)
Operating expenses		(32,154)	(29,544)
Profit from operations		20,275	21,089
Finance income	7	107	71
Finance cost	7	(839)	(905)
Profit before tax	10	19,543	20,255
Income tax expense	8	(2,650)	(2,669)
Profit for the year from continuing operations		16,893	17,586
Other comprehensive income		-	-
Total comprehensive income for the year		16,893	17,586
Attributable to:			
- Owners of the parent company		15,680	16,943
- Non-controlling interests		1,213	643
		16,893	17,586
Basic and diluted earnings per share (cents)	26	10.45	11.30

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

FMF FOODS LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Notes	2017 $'000	2016 $'000
Current assets			
Cash on hand and at bank	11(a)	25,169	17,936
Inventories	12	42,876	47,322
Trade receivables	13	25,012	31,320
Prepayments and other receivables	14	4,018	3,719
Held-to-maturity investments	15	7,730	7,130
Current income tax assets	8	1,907	40
Amounts owing by related companies	29(c)	-	23
		106,712	107,490
Non-current assets			
Property, plant and equipment	17	82,994	70,248
Deferred income tax assets	9(a)	1,083	659
		84,077	70,907
Total assets		190,789	178,397
Current liabilities			
Bank overdraft	11(a)	27,905	16,711
Trade and other payables	19	11,220	27,858
Current income tax liabilities	8	36	1,304
Borrowings	21	6,280	6,000
Amounts owing to related companies	29(d)	457	505
		45,898	52,378
Non-current liabilities			
Borrowings	21	11,137	7,500
Deferred income tax liabilities	9(b)	4,982	3,681
		16,119	11,181
Total liabilities		62,017	63,559
Net assets		128,772	114,838
Equity			
Share capital	24	6,000	6,000
Retained earnings		117,230	103,979
		123,230	109,979
Non-controlling interests		5,542	4,859
Total equity		128,772	114,838

The above statement of financial position should be read in conjunction with the accompanying notes.

For and on behalf of the Board and in accordance with a resolution of the Directors.

Dated this 20th day of September 2017.

.... Director

.... Director

FMF FOODS LIMITED AND SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Note	Share capital $'000	Retained earnings $'000	Totals $'000	Non - controlling interests $'000	Total equity $'000
Balance at 1 July 2015		6,000	88,926	94,926	4,631	99,557
Comprehensive income						
Profit for the year		-	16,943	16,943	643	17,586
Total comprehensive income		-	16,943	16,943	643	17,586
Transactions with owners						
Dividends	25	-	(1,800)	(1,800)	(415)	(2,215)
1% transitional tax		-	(90)	(90)	-	(90)
Balance at 30 June 2016		6,000	103,979	109,979	4,859	114,838
Comprehensive income						
Profit for the year		-	15,680	15,680	1,213	16,893
Total comprehensive income		-	15,680	15,680	1,213	16,893
Transactions with owners						
Dividends	25	-	(2,100)	(2,100)	(530)	(2,630)
1% transitional tax		-	(329)	(329)	-	(329)
Balance at 30 June 2017		6,000	117,230	123,230	5,542	128,772

The above statement of changes in equity should be read in conjunction with the accompanying notes.

FMF FOODS LIMITED AND SUBSIDIARIES

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 $'000	2016 $'000
Cash flows from operating activities			
Receipts from customers		212,073	210,138
Payments to suppliers and employees		(193,692)	(186,824)
Cash generated from operations		18,381	23,314
1% transitional tax paid		(67)	(59)
Income taxes paid		(4,908)	(903)
Interest paid		(839)	(905)
Net cash generated from operating activities		12,567	21,447
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		1,976	45
Acquisition of property, plant and equipment		(19,298)	(15,087)
Interest received		107	71
Investment in term deposits		(600)	(74)
Net cash used in investing activities		(17,815)	(15,045)
Cash flows from financing activities			
Proceeds from borrowings		10,000	-
Repayment of borrowings		(6,083)	(6,000)
Dividends paid		(2,630)	(2,215)
Net cash generated from / (used in) financing activities		1,287	(8,215)
Net decrease in cash and cash equivalents		(3,961)	(1,813)
Cash and cash equivalents at the beginning of the year		1,225	3,038
Cash and cash equivalents at the end of the year	11	(2,736)	1,225

The above statement of cash flows should be read in conjunction with the accompanying notes.

1 GENERAL INFORMATION

FMF Foods Limited ('the Company') and its subsidiaries (together forming 'the Group') engage in the milling of wheat, whole dunfield peas, manufacturing of packaging materials including corrugated cartons, assorted containers and bags, manufacturing of biscuits and snacks food products, sale of rice, wheat and related products and investments. The Company is a limited liability company incorporated and domiciled in the Republic of Fiji. The Company and two of its subsidiaries, The Rice Company of Fiji Limited and Atlantic & Pacific Packaging Company Limited are listed on the South Pacific Stock Exchange.

These financial statements were authorised for issue by the Board of Directors on 20th September 2017.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted by the Group are stated to assist in a general understanding of these financial statements. These policies have been consistently applied by the Group except where otherwise indicated.

2.1 Basis of preparation

The financial statements of the Group have been prepared in accordance with the provisions of the Companies Act 2015 and International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee (IFRS IC) interpretations. The financial statements have been prepared under the basis of historical costs.

(a) New and amended standards adopted by the Group

There are no IFRSs or IFRS IC interpretations that are effective for the first time for the financial year beginning on or after 1 July 2016 that have a material impact on the Group.

(b) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 July 2016 and not early adopted

Certain new accounting standards and interpretations have been published that are not mandatory for financial year beginning 1 July 2016 and have not been early adopted by the Group. The impact and interpretation of these new standards is set out below.

IFRS 9 Financial Instruments

Addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

(b) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 July 2016 and not early adopted (Cont'd)

IFRS 15 Revenue from contracts with customers

This standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted.

IFRS 16 Leases

Replaces the current guidance in IAS 17. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Under IAS 17, a lessee was required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires a lessee to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. Included is an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. The standard is effective for accounting periods beginning on or after 1 January 2019. Early adoption is permitted but only in conjunction with IFRS 15, 'Revenue from contracts with customers.

The Group is yet to assess the impact of the above standards and intends to adopt the standards no later than the accounting period in which they become effective.

2.2 Principles of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Principles of consolidation (Cont'd)

Subsidiaries (Cont'd)
Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.3 Segment reporting

The Board of Directors is the Group's chief operating decision-maker. Management has determined the operating segments based on the information reviewed by the Board of Directors for the purposes of allocating resources and assessing performance.

An operating segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other operating segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and return that are different from those segments operating in other economic environments. The Group operates predominantly within one geographical segment, that is, Fiji. For reporting purposes, the Group considers itself to be operating in three business segments, that is, food, packaging and properties.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Fijian Dollars, which is the Group's presentation currency.

(b) Transactions and balances
Foreign currency transactions are translated into the Fijian currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

2.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.5 Property, plant and equipment (Cont'd)

Depreciation/amortisation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Premium on leasehold land	-	term of lease
Buildings	-	2% - 10%
Plant and machinery	-	4% - 33%
Motor vehicles	-	25%
Furniture, fittings & office machines	-	6.7% - 25%
Computers	-	33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.6 Financial assets

The Group classifies its financial assets in the following categories: loans and receivables and held- to-maturity financial assets. Management determines the classification of its financial assets at initial recognition. The classification depends on the purpose for which the financial assets were acquired.

2.6.1 Classification

(a) Loans and receivables
The Group's loans and receivables comprise 'trade and other receivables' and 'cash on hand and at bank'.

(b) Held-to-maturity financial assets
Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. For the Group, these comprise of term deposit investments.

2.6.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition.

Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.6 Financial assets (Cont'd)

2.6.2 Recognition and measurement (Cont'd)

Financial assets are derecognised when the rights to receive cash flows from them have expired or where they have been transferred and the Group has also transferred substantially all risks and rewards of ownership.

Interest income on held-to-maturity investments are included in profit or loss and are reported under finance income as interest income. In the case of impairment, it is reported as a deduction from the carrying value of the investment and recognised in profit or loss as impairment on investment.

2.7 Offsetting financial instruments

Financial assets and liabilities are offset when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.8 Impairment of financial assets

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a ‘loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

For loans and receivables and held-to-maturity categories, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss.

2.9 Impairment of non-financial assets

Assets that have an indefinite useful life, are not subject to amortisation and are tested annually for impairment and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and the value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost (WAC) method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.11 Trade receivables

Trade receivables are recognised at invoice amount. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within other operating expenses.

When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited to other operating income in profit or loss.

2.12 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks and bank overdraft. In the statement of financial position, bank overdraft is shown in current liabilities.

2.13 Share capital

Ordinary shares are classified as equity.

2.14 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised at amortised cost.

2.15 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.15 Borrowings (Cont'd)

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.16 Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.17 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2.18 Revenue recognition

Revenue comprises the consideration received or receivable for the sale of goods or services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts. Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.18 Revenue recognition (Cont'd)

Other income sources for the Group include:

(a) Dividend income
Dividend income is recognised when the right to receive dividend is established.

(b) Interest income
Interest income is recognised on an accrual basis.

2.19 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Leases of property, plant and equipment where the Group have substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease’s inception at the lower of the fair value of the leased property, plant and equipment and the present value of the minimum lease payments. The corresponding rent obligations, net of finance charges, are included in other long term payables. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding.

The interest element of the finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset’s useful life and the lease term.

2.20 Employee benefits

Liabilities for employees’ entitlements to wages and salaries, annual leave and other current employee entitlements (that are expected to be paid within twelve months) are accrued at undiscounted amounts, calculated at amounts expected to be paid as at balance date.

2.21 Dividend distribution

Dividend distribution to the shareholders is recognised as a liability in the financial statements in the period in which the dividends are declared by the Directors.

2.22 Earnings per share

Basic earnings per share
Basic earnings per share (EPS) is determined by dividing profit after income tax attributable to shareholders of the parent by the weighted-average number of ordinary shares as at balance date.

Diluted earnings per share
Diluted EPS is the same as the basic EPS as there are no potential ordinary shares which are considered dilutive.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.23 Comparative figures

Where necessary, amounts relating to prior years have been reclassified to facilitate comparison and achieve consistency in disclosure with current year amounts.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Except for the depreciation/amortisation of property, plant and equipment (Note 2.5), the Group does not have any significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have a significant effect on the amounts recognised in the financial statements.

4 FINANCIAL RISK MANAGEMENT

The Group’s activities expose it to a variety of financial risks: market risk (including currency risk), credit risk and liquidity risk. The Group’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group’s financial performance.

Risk management is carried out by the Executive Management. The Executive Management under the directions of the Audit and Finance Committee identifies and evaluates financial and operational risks. The Board provides overall direction in risk management.

(a) Market risk

Foreign exchange risk

The Group is exposed to foreign exchange risk arising from various currency exposures in respect to purchase of inventory, primarily with respect to the Australian and New Zealand dollar. Foreign exchange risk arises from future commercial transactions and liabilities.

Management has set up a policy to require the the Group to manage its foreign exchange risk against its functional currency, in this case the Fijian dollar. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency other than the Fijian Dollar. For significant settlements, the Group is required to seek quotations from recognised banks and use the most favourable exchange rate for purposes of the settlement. A foreign currency account is also maintained which is used for settlement of foreign currency payments to overseas suppliers.

To determine the Group’s sensitivity to foreign exchange risk, the Group calculates an implied volatility in exchange rates by calculating the maximum variation of daily spot rates from the average exchange rate for the year.

As at year end, assets and liabilities denominated in foreign currencies are not significant and hence changes in foreign currency exchange rate is expected to have minimal impact on the net profit and equity balances currently reflected in the financial statements.

4 FINANCIAL RISK MANAGEMENT (Cont'd)

(b) Credit risk

Credit risk is managed by management with board oversight. Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables. As part of its risk control procedures, an assessment of the credit quality of a new customer, taking into account its financial position, past experience and other factors is carried out. Individual credit risk limits are then set based on the assessments done. The utilisation of credit limits is regularly monitored. Sales to credit retail customers are settled in either cash or bank cheques.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to meet its present obligations. Management monitors rolling forecasts of the Group's liquidity reserve comprising cash and cash equivalents on the basis of expected cash flows.

The Group's financial liabilities are analysed below into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date.

	Up to 1 year $'000	1 to 2 years $'000	2 to 5 years $'000	Over 5 Years $'000	Total $'000
As at 30 June 2017					
Bank overdraft	27,905	-	-	-	27,905
Borrowings and interest	7,529	7,267	3,462	-	18,258
Trade and other payables	11,220	-	-	-	11,220
Owing to related companies	457	-	-	-	457
Total	47,111	7,267	3,462	-	57,840
As at 30 June 2016					
Bank overdraft	16,711	-	-	-	16,711
Borrowings and interest	6,403	6,178	1,509	-	14,090
Trade and other payables	27,858	-	-	-	27,858
Owing to related companies	505	-	-	-	505
Total	51,477	6,178	1,509	-	59,164

Letters of credit and guarantees are disclosed in the Note 28.

5 CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group has a number of financial covenants to comply with as part of the terms of its borrowings. These financial covenants are managed as part of the Group's capital management. The Group has complied with all its externally imposed capital requirements.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity plus net debt.

The gearing ratio for the Group was as follows:

	2017 $'000	2016 $'000
Total borrowings (Note 21)	17,417	13,500
Cash, cash equivalents (Note 11)	2,736	(1,225)
Net debt	20,153	12,275
Equity	128,772	114,838
Total capital	148,925	127,113
Gearing ratio	14%	10%

6 OTHER OPERATING INCOME

	2017 $'000	2016 $'000
Gain on disposal of property, plant and equipment	1,601	45
Exchange gains	1,433	1,744
Other income	785	233
	3,819	2,022

7 NET FINANCE INCOME AND COST

	2017 $'000	2016 $'000
Finance income		
Interest income on term deposits	107	71
Finance costs		
Interest expense on overdraft and borrowings	(839)	(905)
Net finance cost	(732)	(834)

8 INCOME TAX EXPENSE

	2017 $'000	2016 $'000
Current tax:		
Current tax on profits for the year	1,735	3,225
Adjustments in respect of prior year	38	(9)
Total current tax	1,773	3,216
Deferred tax:		
Origination and reversal of temporary differences	877	(542)
Adjustments in respect of prior year	-	(5)
Total deferred tax	877	(547)
Income tax expense	2,650	2,669

The prima facie income tax payable on pre-tax accounting profit is reconciled to the income tax as follows:

	2017	2016
Profit before tax	19,543	20,255
Prima facie tax	2,585	2,805
Tax effects of:		
- Non-deductible and items not subject to tax (net)	(191)	(253)
Tax losses not recognised	218	130
Prior year adjustments	38	(13)
Income tax expense	2,650	2,669
Temporary differences	(877)	547
	1,773	3,216
Add: Opening current tax liabilities	1,264	(1,049)
Less: Taxes (paid) / refunded	(4,908)	(903)
Current income tax liabilities / (assets)	(1,871)	1,264

9 DEFERRED INCOME TAXES

(a) Deferred income tax assets

	Tax losses $'000	Other $'000	Total $'000
At 1 July 2015	163	176	339
Charged/ (credited) to profit or loss	167	153	320
At 30 June 2016	330	329	659
Charged/ (credited) to profit or loss	376	48	424
At 30 June 2017	706	377	1,083

(b) Deferred income tax liabilities

	Property, plant & equipment $'000	Other $'000	Total $'000
At 1 July 2015	3,226	682	3,908
Charged/ (credited) to profit or loss	(271)	44	(227)
At 30 June 2016	2,955	726	3,681
Charged/ (credited) to profit or loss	1,208	93	1,301
At 30 June 2017	4,163	819	4,982

10 PROFIT BEFORE TAX

	2017 $'000	2016 $'000
Included in profit before tax are the following items of revenues and expenses:		
Expenses		
Auditors' remuneration		
- PricewaterhouseCoopers	89	82
- Other auditors	28	27
Directors' emoluments		
- Directors' fees	38	39
Doubtful debts	2,031	652

11 CASH AND CASH EQUIVALENTS

(a) Cash at the end of the year as shown in the statements of cash flows is reconciled to the related items in the statement of financial position as follows:

	2017 $'000	2016 $'000
Cash on hand and at bank	25,169	17,936
Bank overdraft	(27,905)	(16,711)
Cash and cash equivalents	(2,736)	1,225

(b) Financing facilities

Bank overdraft facility from ANZ totalling $15m (2016: $15m) is available to the Group and interchangeable amongst the Group companies. One of the subsidiaries also has a bank overdraft facility from Bank of Baroda totalling $6.75m (2016: $6.25m). Refer to Note 20 for securities provided.

12 INVENTORIES

	2017 $'000	2016 $'000
Finished products	7,503	7,176
Raw and packaging materials	30,008	16,135
Spares	2,758	2,043
Work in progress	284	194
Goods in transit	2,595	22,001
Inventory provision	(272)	(227)
	42,876	47,322

13 TRADE RECEIVABLES

	2017 $'000	2016 $'000
Trade receivables	26,988	33,018
Less: Trade receivables impairment provision	(1,976)	(1,698)
Trade receivables - net	25,012	31,320

Trade receivables as noted below were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2017 $'000	2016 $'000
Upto 2 months	6,378	8,903
Over 2 months	764	4,151
	7,142	13,054

Trade receivables as noted below were impaired and provided for. The individually impaired receivables mainly relate to balances that were in dispute or where the customer is facing financial difficulties. The ageing of these receivables is as follows:

	2017 $'000	2016 $'000
Over 1 month	-	-
Over 2 months	2,283	1,698
	2,283	1,698

Movement in the provision for impairment of trade receivables is as follows:

	2017 $'000	2016 $'000
At 1 July	1,698	1,046
Provision recognised in current year	2,031	652
Bad debts written-off	(1,753)	-
At 30 June	1,976	1,698

The maximum exposure to credit risk at the reporting date is the carrying value (which is also the fair value) as noted above. The Group does not hold any collateral as security.

14 PREPAYMENTS AND OTHER RECEIVABLES

	2017 $'000	2016 $'000
Prepayments and other receivables	4,018	3,738
Less: Other receivables impairment provision	-	(19)
	4,018	3,719

Movement in the provision for impairment of other receivables is as follows:

	2017 $'000	2016 $'000
At 1 July	19	19
Provision for impaired receivables	-	-
Unused amounts reversed	(19)	-
At 30 June	-	19

15 HELD-TO-MATURITY INVESTMENTS

	2017 $'000	2016 $'000
Term deposits	7,730	7,130

The above term deposits are short term in nature. $7.13m (2016: $7.13m) of the group term deposits are held as lien for the $6.75m (2016: $6.25m) bank overdraft facility with the bank. In case of default on the bank overdraft, the bank has the right to receive the cash flows from the term deposits.

16 INVESTMENTS IN SUBSIDIARIES

(a) The Group's principal subsidiaries at year end are set out below. They have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

	Country of incorporation	% Interest		Principal activities
		2017	2016	
Pea Industries Limited	Fiji	100	100	Pea milling
Biscuit Company of (Fiji) Limited	Fiji	100	100	Biscuit manufacture
DHF Limited	Fiji	100	100	Wheat and bakery ingredients sale
FMF Investment Company Limited	Fiji	100	100	Property management
FMF Snax Limited	Fiji	100	100	Snacks manufacture
Bakery Company (Fiji) Limited	Fiji	100	100	Biscuit manufacture
The Rice Company of Fiji Limited	Fiji	75	75	Rice sale
Atlantic & Pacific Packaging Company Limited	Fiji	60	60	Packaging materials manufacture

The market value of the investment in The Rice Company of Fiji Limited at year end was $17.10m (2016: $16.65m). The market value of the investment in Atlantic & Pacific Packaging Company Limited at year end was $5.04m (2016: $5.28m).

(b) The financial statements of the subsidiaries, The Rice Company of Fiji Limited, FMF Snax Limited and FMF Investment Company Limited are audited by BDO Chartered Accountants.

(c) Material non-controlling interests

The two material subsidiaries with non-controlling interests are The Rice Company of Fiji Limited (RCF) and Atlantic & Pacific Packaging Company Limited (ATPACK) with 25% and 40% ordinary shares held by non-controlling interests respectively.

The total non-controlling interest at year end was $5.54m (2016: $4.86m), of which $3.36m (2016: $3.01m) was for RCF and $2.18m (2016: $1.85m) was attributed to ATPACK.

The profit/(loss) allocated to non-controlling interest for the year was $1.21m (2016: $0.64m), of which $0.80m (2016: $0.67m) was for RCF and $0.41m (2016: ($0.03m) was attributed to ATPACK.

The dividends paid to non-controlling interest during the year was $0.53m (2016: $0.42m), of which $0.45m (2016: $0.38m) was paid by RCF and $0.08m (2016: $0.04m) was paid by ATPACK.

16 INVESTMENTS IN SUBSIDIARIES (Cont'd)

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group.

Summarised statements of financial position

	RCF		ATPACK	
	2017	**2016**	**2017**	**2016**
	$'000	**$'000**	**$'000**	**$'000**
Current				
Assets	13,731	12,917	3,981	4,260
Liabilities	312	877	2,730	3,350
Current net assets	13,419	12,040	1,251	910
Non-current				
Assets	20	13	4,512	4,021
Liabilities	-	-	309	316
Non-current net assets	20	13	4,203	3,705
Net assets	13,439	12,053	5,454	4,615

Summarised statements of profit or loss and other comprehensive income

	RCF		ATPACK	
	2017	**2016**	**2017**	**2016**
	$'000	**$'000**	**$'000**	**$'000**
Revenue	29,555	26,147	12,295	12,634
Profit / (loss) before income tax	3,540	2,979	1,154	(71)
Income tax (expense) / credit	(354)	(298)	(115)	2
Net profit / (loss)	3,186	2,681	1,039	(69)
Other comprehensive income	-	-	-	-
Total comprehensive income	3,186	2,681	1,039	(69)

Summarised cash flows

	RCF		ATPACK	
	2017	**2016**	**2017**	**2016**
	$'000	**$'000**	**$'000**	**$'000**
Cash flows from operating activities	3,642	1,120	1,902	1,132
Cash flows from investing activities	-	-	(1,277)	(2,197)
Cash flows from financing activities	(1,800)	(1,500)	(200)	(100)
Net increase / (decrease) in cash and cash equivalents	1,842	(380)	425	(1,165)

17 PROPERTY, PLANT AND EQUIPMENT

	Leasehold land & building $'000	Freehold land & building $'000	Motor vehicles $'000	Plant, furniture & equipment $'000	Work - in progress $'000	Total $'000
As at 1 July 2015						
Cost	29,449	1,554	4,263	90,742	2,842	128,850
Accumulated depreciation	(7,312)	(543)	(2,746)	(61,918)	-	(72,519)
Net book amount	22,137	1,011	1,517	28,824	2,842	56,331
For the year ended 30 June 2016						
Opening net book amount	22,137	1,011	1,517	28,824	2,842	56,331
Additions	80	-	435	3,181	17,340	21,036
Disposals	-	-	-	-	(2)	(2)
Transfers	-	-	-	39	(56)	(17)
Depreciation charge	(544)	(38)	(693)	(5,825)	-	(7,100)
Closing net book amount	21,673	973	1,259	26,219	20,124	70,248
At 30 June 2016						
Cost	29,529	1,554	4,556	93,566	20,124	149,329
Accumulated depreciation	(7,856)	(581)	(3,297)	(67,347)	-	(79,081)
Net book amount	21,673	973	1,259	26,219	20,124	70,248
For the year ended 30 June 2017						
Opening net book amount	21,673	973	1,259	26,219	20,124	70,248
Additions	195	-	667	2,255	16,181	19,298
Disposals	-	(367)	-	(10)	-	(377)
Transfers	21,433	-	333	12,430	(34,196)	-
Depreciation charge	(549)	(36)	(719)	(4,871)	-	(6,175)
Closing net book amount	42,752	570	1,540	36,023	2,109	82,994
At 30 June 2017						
Cost	51,155	861	5,381	108,626	2,109	168,132
Accumulated depreciation	(8,403)	(291)	(3,841)	(72,603)	-	(85,138)
Net book amount	42,752	570	1,540	36,023	2,109	82,994

18 INTANGIBLE ASSETS

	2017 $'000	2016 $'000
F1 Audio Visual production	1,458	1,458
Provision for impairment	(1,458)	(1,458)
	-	-

19 TRADE AND OTHER PAYABLES

	2017 $'000	2016 $'000
Trade payables	4,357	3,445
Other payables and accruals	5,647	23,249
Staff leave accruals	1,216	1,164
	11,220	27,858

20 BANK OVERDRAFT AND BORROWING SECURITIES

The secured borrowings and bank overdrafts of the Group are secured by a first registered mortgage debenture over all the assets of the Group including uncalled capital and unpaid premiums, cross guarantees by the subsidiaries, and a negative pledge by a subsidiary, Atlantic & Pacific Packaging Company Limited, not to lend or grant security to another party.

A separate overdraft facility is secured by the various term deposits.

21 BORROWINGS

	2017 $'000	2016 $'000
Current		
Secured borrowings	6,280	6,000
Non-Current		
Secured borrowings	11,137	7,500
	17,417	13,500

The carrying amounts of borrowings approximate their fair values.

The security details on borrowings are disclosed in Note 20.

22 FINANCIAL INSTRUMENTS BY CATEGORY

30 June 2017

	Loans & receivables $'000	Held-to maturity $'000	Total $'000
Assets as per statement of financial position			
Cash on hand and at bank	25,169	-	25,169
Trade receivables	25,012	-	25,012
Prepayments and other receivables	4,018	-	4,018
Held-to-maturity investments	-	7,730	7,730
Amounts owing by related companies	-	-	-
	54,199	7,730	61,929

	Financial liabilities at amortised cost $'000	Total $'000
Liabilities as per statement of financial position		
Bank overdraft	27,905	27,905
Trade and other payables	11,220	11,220
Amounts owing to related companies	457	457
Borrowings - current	6,280	6,280
Borrowings - non-current	11,137	11,137
	56,999	56,999

30 June 2016

	Loans & receivables $'000	Held-to maturity $'000	Total $'000
Assets as per statement of financial position			
Cash on hand and at bank	17,936	-	17,936
Trade receivables	31,320	-	31,320
Prepayments and other receivables	3,719	-	3,719
Held-to-maturity investments	-	7,130	7,130
Amounts owing by related companies	23	-	23
	52,998	7,130	60,128

	Financial liabilities at amortised cost $'000	Total $'000
Liabilities as per statement of financial position		
Bank overdraft	16,711	16,711
Trade and other payables	27,858	27,858
Amounts owing to related companies	505	505
Borrowings - current	6,000	6,000
Borrowings - non-current	7,500	7,500
	58,574	58,574

The carrying amounts of the financial assets and liabilities of the Group approximate their fair values.

23 CREDIT QUALITY OF FINANCIAL ASSETS

	2017 $'000	2016 $'000

The credit quality of cash and cash equivalents and held-to-maturity investments is as follows:

	2017 $'000	2016 $'000
Cash		
Bank A	25,169	17,936
	25,169	17,936

Bank A - The Group has cash with the Fiji branch as well as the Australian branch of an international bank which has a Moody's credit rating of Aa3 (2016: Aa2).

	2017 $'000	2016 $'000
Held-to-maturity investments		
Bank B	7,730	7,130
	7,730	7,130

Bank B - The Group has held-to-maturity deposits with the Fiji branch of an international bank which has a Moody's credit rating of Baa3 (2016: Baa3).

24 SHARE CAPITAL

	2017 $'000	2016 $'000
150,000,000 ordinary shares	6,000	6,000

The company's capital comprises ordinary shares only and these carry the same rights, preferences and restrictions.

25 DIVIDENDS

	2017 $'000	2016 $'000
Dividend declared	2,630	2,215

26 EARNINGS PER SHARE

	2017 $'000	2016 $'000
Operating profit after tax attributable to members of the Holding Company	15,680	16,943
Number of ordinary shares issued ('000)	150,000	150,000
Basic and diluted earnings per share (cents)	10.45	11.30

27 CAPITAL COMMITMENTS

	2017 $'000	2016 $'000
Capital commitments	-	10,583

28 CONTINGENCIES AND COMMITMENTS

	2017 $'000	2016 $'000
(a) Letters of credit	1,911	924
(b) Guarantees and bonds	712	698

29 RELATED PARTIES

2017 $'000 | 2016 $'000

(a) **Directors**

The following were Directors of the Company at any time during the financial year and up to the date of this report:

- Hari Punja Order of Fiji, OBE – Chairman
- Rohit Punja - Executive Director
- Ram Bajekal - Managing Director
- Ajai Punja
- Gary Callaghan
- Pramesh Sharma
- Leena Punja (Alternate Director to Hari Punja)

(b) **Immediate and ultimate holding company**

The immediate and penultimate holding company is Hari Punja and Sons Limited (HPS). The ultimate holding company is Hari Punja Nominees Limited.

(c) **Amounts owing by related companies**

	2017 $'000	2016 $'000
Fellow subsidiaries	-	23
	-	23

The receivables from related parties arise mainly from sale transactions and are due within two months after the date of sale. The receivables are unsecured in nature and bear no interest. No provisions are held against receivables from related parties (2016: $Nil).

(d) **Amounts owing to related companies**

	2017 $'000	2016 $'000
Holding company	-	134
Fellow subsidiaries	457	371
	457	505

The payables to related parties bear no interest and payables arising from purchases are due within two months of purchases.

29 RELATED PARTIES (Cont'd)

(e) Related party transactions

The amounts included in the determination of operating profit that resulted from transactions with related parties were as follows:

	2017 $'000	2016 $'000
Income		
Sales	1	5
Administration fees	4	4
Expenses		
Management fees	1,691	1,861
Purchase of consumables	3,611	3,846

The management fees are paid to HPS by the Holding Company and its subsidiaries in accordance with a management agreement the entities have with HPS.

During the year, interest-bearing advances were made within the Group. These amounts had been settled in full at year end.

(f) Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity.

During the year the executives identified as key management personnel, with the greatest authority and responsibility for the planning, directing and controlling the activities of the Company were the Managing Director, the Group Chief Financial Officer (CFO) and the Group General Manager.

The amount of compensation of the key management personnel borne by and included in the Group is as follows:

	2017 $'000	2016 $'000
Salaries and other short term benefits	616	337

30 OPERATING LEASES

The Group has leased various land under the crown lease agreements ranging from 60 to 99 years from the Government of Republic of Fiji for which the total commitments are as follows:

	2017 $'000	2016 $'000
Payable not later than 1 year	157	157
Payable later than 1 year but not later than 5 years	629	629
Payable later than 5 years	13,503	13,660
	14,289	14,446

31 EVENTS SUBSEQUENT TO BALANCE DATE

No charge on the assets of the Group has arisen since the end of the financial year to the date of this report to secure the liabilities of any other person.

No contingent liability has arisen since the end of the financial year to the date of this report.

No contingent or other liability has become enforceable or is likely to become enforceable within a period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group to meet its obligations when they fall due.

32 REGISTERED OFFICE AND SHARE REGISTER

Registered Office
2 Leonidas Street
Walu Bay
Suva
Republic of Fiji

Share Register
Central Share Registry
South Pacific Stock Exchange
Level 2, Plaza One, Provident Plaza
33 Ellery Street
Suva
Republic of Fiji

33 SEGMENT INFORMATION

(a) **Secondary reporting – geographical segments**

The Group operates only in the geographical segment of Fiji. The subsidiaries in New Zealand and Papua New Guinea were not operational during the year.

33 SEGMENT INFORMATION - continued

(b) Primary reporting - business segments 2017

	Food products $'000	Packaging materials $'000	Properties $'000	Inter-segment elimination $'000	Total $'000
External sales	198,184	4,350	-	-	202,534
Sales	239,387	12,295	-	(49,148)	202,534
Other income	8,803	149	2,943	(8,076)	3,819
	248,190	12,444	2,943	(57,224)	206,353
Segment result before income tax and finance costs	21,182	1,256	2,315	(4,478)	20,275
Net finance costs	(447)	(102)	(183)	-	(732)
Profit before income tax expense	20,735	1,154	2,132	(4,478)	19,543
Income tax expense	(2,176)	(115)	(359)	-	(2,650)
Net profit / (loss)	18,559	1,039	1,773	(4,478)	16,893
Segment assets	175,736	8,424	23,807	(18,261)	189,706
Deferred income tax assets	1,013	69	1	-	1,083
Total assets	176,749	8,493	23,808	(18,261)	190,789
Segment liabilities	11,683	839	93	(902)	11,713
Deferred income tax liabilities	2,878	309	1,795	-	4,982
Borrowings	15,392	-	2,025	-	17,417
Bank overdraft	22,938	1,891	3,076	-	27,905
Total liabilities	52,891	3,039	6,989	(902)	62,017
Acquisition of property, plant and equipment	19,303	1,281	1,843	(3,129)	19,298
Depreciation expense	5,098	668	409	-	6,175
Net cash flows from operating activities	8,121	1,902	1,527	1,017	12,567

34 SEGMENT INFORMATION - continued

(b) **Primary reporting - business segments 2016**

	Food products $'000	Packaging materials $'000	Properties $'000	Inter-segment elimination $'000	Total $'000
External sales	209,420	4,295	-	-	213,715
Sales	254,358	12,634	-	(53,277)	213,715
Other income	7,308	198	2,589	(8,073)	2,022
	261,666	12,832	2,589	(61,350)	215,737
Segment result before income tax and finance costs	23,797	(2)	2,106	(4,812)	21,089
Net finance costs	(536)	(70)	(228)	-	(834)
Profit before income tax expense	23,261	(72)	1,878	(4,812)	20,255
Income tax expense	(2,296)	2	(375)	-	(2,669)
Net profit / (loss)	20,965	(70)	1,503	(4,812)	17,586
Segment assets	172,200	8,089	24,469	(27,020)	177,738
Deferred income tax assets	466	192	1	-	659
Total assets	172,666	8,281	24,470	(27,020)	178,397
Segment liabilities	38,439	1,034	236	(10,042)	29,667
Deferred income tax liabilities	1,645	316	1,720	-	3,681
Borrowings	10,335	-	3,165	-	13,500
Bank overdraft	10,154	2,316	4,241	-	16,711
Total liabilities	60,573	3,666	9,362	(10,042)	63,559
Acquisition of property, plant and equipment	18,400	2,206	430	-	21,036
Depreciation expense	6,223	468	409	-	7,100
Net cash flows from operating activities	17,464	1,131	1,804	1,048	21,447

FMF FOODS LIMITED
LISTING REQUIREMENTS OF SOUTH PACIFIC STOCK EXCHANGE
(UNAUDITED AND NOT INCLUDED ELSEWHERE IN THE ANNUAL REPORT)

(a) Schedule of each class of equity security in compliance with listing requirements 6.31 (iv):

NAME	Number of Shares	%
HARI PUNJA & SONS LIMITED	106,124,847	70.75
FIJI NATIONAL PROVIDENT FUND	6,717,975	4.48
BSP LIFE (FIJI) LIMITED	5,669,597	3.78
UNIT TRUST OF FIJI (TRUSTEE COMPANY) LTD	5,187,006	3.46
REDDY'S ENTERPRISES LIMITED	2,113,050	1.41
GARY CALLAGHAN	1,700,225	1.13
CARLISLE (FIJI) LIMITED	1,487,240	0.99
FIJIAN HOLDINGS LTD	1,298,200	0.87
JITENDRA KUMAR M NARSEY	1,090,450	0.73
VENILAL MAGANLAL NARSEY	675,950	0.45
HARIGANGA RATANJI	582,825	0.39
BECHARBHAI HOLDINGS LTD	499,950	0.33
JITENDRA THAKORLAL NARSEY	388,437	0.26
KANTI LAL PUNJA	375,000	0.25
HARI KRISHNA NARSEY	369,937	0.25
INDRAVADAN NARSEY	369,937	0.25
FHL TRUSTEES LTD ATF FIJIAN HOLDINGS UNIT TRUST	336,647	0.22
DAYABHAI NATHUBHAI PATEL	318,700	0.21
LAKSHMIKANT DHARAMSI SAMPAT	300,000	0.20
SHANTILAL PATEL	279,900	0.19
SURESH CHANDRA	274,950	0.18
VIJAY KUMAR	274,950	0.18
VIJAYKUMAR PATEL	274,950	0.18

(b) Schedule of each class of equity security in compliance with listing requirements 6.31(v):

Distribution of ordinary shareholders:

No. of Holders	Holding	Total % Holding
11	1 to 500 shares	0.00
103	501 to 5,000 shares	0.24
74	5,001 to 10,000 shares	0.41
77	10,001 to 20,000 shares	0.81
41	20,001 to 30,000 shares	0.68
16	30,001 to 40,000 shares	0.41
22	40,001 to 50,000 shares	0.72
35	50,001 to 100,000 shares	1.90
48	100,001 to 1,000,000 shares	7.23
9	Over 1,000,000 shares	87.60
436	**Total**	**100.00**

FMF FOODS LIMITED
LISTING REQUIREMENTS OF SOUTH PACIFIC STOCK EXCHANGE (Cont'd)
(UNAUDITED AND NOT INCLUDED ELSEWHERE IN THE ANNUAL REPORT)

(c) Disclosure under section 6.31 (viii):

Subsidiaries information:		
Names of the subsidiaries dealing in food products	1	Biscuit Company of (Fiji) Limited
	2	Pea Industries Limited
	3	DHF Limited
	4	FMF Snax Limited
	5	The Rice Company of Fiji Limited
	6	Bakery Company (Fiji) Limited
	7	FMF Foods New Zealand Limited
	8	FMF Foods (PNG) Limited
Name of the subsidiary dealing in packaging materials	9	Atlantic & Pacific Packaging Company Limited
Name of the subsidiary having property investments	10	FMF Investment Company Limited
Principal country of operation	1 - 6, 9 - 10	Republic of Fiji
	7	New Zealand
	8	Papua New Guinea
Country of incorporation	1 - 6, 9 - 10	Republic of Fiji
	7	New Zealand
	8	Papua New Guinea

	Food products $'000	**Packaging materials $'000**	**Properties $'000**
Turnover	136,551	12,295	-
Other income	1,974	153	2,994
	138,525	12,448	2,994
Depreciation	(2,253)	(668)	(409)
Interest expense	(630)	(106)	(234)
Other expenses	(128,290)	(10,520)	(219)
Profit before tax	7,352	1,154	2,132
Income tax expense	(1,301)	(115)	(359)
Net profit after tax	6,051	1,039	1,773
Total assets	73,516	8,493	23,808
Total liabilities	19,819	3,039	6,989
Shareholders’ equity	53,697	5,454	16,819

FMF FOODS LIMITED
LISTING REQUIREMENTS OF SOUTH PACIFIC STOCK EXCHANGE (Cont'd)
(UNAUDITED AND NOT INCLUDED ELSEWHERE IN THE ANNUAL REPORT)

(d) Disclosure under Section 6.31 (xii):

Summary of key financial results for the previous five years for the Group:

	2017 $'000	2016 $'000	2015 $'000	2014 $'000	2013 $'000	2012 $'000
Net Profit after Tax	16,893	17,586	17,456	15,998	11,561	12,931
Current Assets	106,712	107,490	103,696	88,490	91,910	69,820
Non - Current Assets	84,077	70,907	56,669	52,371	45,828	46,322
Total Assets	190,789	178,397	160,365	140,861	137,738	116,142
Current Liabilities	45,898	52,378	43,400	34,266	40,388	20,514
Non -Current Liabilities	16,119	11,181	17,407	22,191	26,731	34,659
Total Liabilities	62,017	63,559	60,808	56,457	67,119	55,172
Shareholders' Equity	128,772	114,838	99,557	84,405	70,619	60,970

(e) Disclosure under Section 6.31 (xiii) (a):

Dividend declared per share:

	2017	2016	2015	2014	2013	2012
Cents per share	1.40	1.20	1.20	1.20	1.00	0.80

(f) Disclosure under Section 6.31 (xiii) (b):

Group earnings per share:

	2017	2016	2015	2014	2013	2012
Cents per share	10.45	11.30	11.01	10.21	7.28	8.18

(g) Disclosure under Section 6.31 (xiii) (c):

Group net tangible assets per share:

	2017	2016	2015	2014	2013	2012
Cents per share	85.85	76.56	66.37	56.27	47.08	40.65

(h) Disclosure under Section 6.31 (xiii) (d):

Share price during the year	**2017 $**	**2016 $**
Highest	0.85	0.79
Lowest	0.76	0.65
On 30th June	0.85	0.76

FMF Foods Limited

Minutes of the Forty Fourth Annual General Meeting of the Members of the Company, held at 3.00 pm on the 28th October 2016 in the Training Room at Atlantic & Pacific Packaging Company Limited, Leonidas Street, Walu Bay, Suva.

PRESENT

Directors

Mr. Gary Callaghan	:	Chairman of the Meeting
Mr. Pramesh Sharma	:	Director
Mr. Rohit Punja	:	Director
Mr. Ajai Punja	:	Director
Mr. Ram Bajekal	:	Managing Director

Invitees

Mr. Kaushick Chandra	:	Partner, M/s. PricewaterhouseCoopers, Statutory Auditors
Ms. Krishika Narayan	:	Manager Legal, South Pacific Stock Exchange (Observer)

Company Secretary & Group Chief Financial Officer

Mr. Sandeep Kumar

1. MEMBERS

Twelve Members / Proxy holders holding 120,221,115 shares were present during the meeting.

2. APOLOGIES

Apology was received from the Mr. Hari Punja, Director, who was unable to attend the AGM.

3. CHAIRMAN

In terms of provisions of Article 64 of the Articles of Association of the Company, Mr. Gary Callaghan presided over the meeting.

4. SHARE REGISTER & STATUTORY REGISTERS

The Share Register containing all the relevant details of the Shareholders of the Company and the Statutory Register were placed on the Table and remained open for inspection during the meeting.

5. QUORUM

The Chairman commenced the meeting by welcoming the Members to the 43rd Annual General Meeting. The Chairman announced that the requisite quorum being present, the meeting was called to order.

6. CONFIRMATION OF THE MINUTES OF THE PREVIOUS ANNUAL GENERAL MEETING HELD ON 30th OCTOBER 2015.

The motion was proposed by Mr. Anuj Patel and seconded by Mr.Maganlal Mohanlal. Thereafter, the motion was put to vote by show of hands and the same was passed without any objection.

7. MATTERS ARISING:

There were no matters arising from earlier minutes.

8. TO RECEIVE AND ADOPT THE AUDITED BALANCE SHEETS AND PROFIT AND LOSS STATEMENTS AND THE REPORTS OF THE DIRECTORS AND AUDITORS FOR THE YEAR ENDED 30TH JUNE 2016.

The Chairman took up the agenda item no.2 for the adoption of audited financial statements of the Company for the year ended June 30, 2016 along with report of the Board of Directors and Auditors of the Company.

Mr. Mahendra Pal Singh proposed the motion which was seconded by Mr. Maganlal Mohanlal. The motion was put to vote by a show of hands and was approved nem con.

9. TO APPOINT MR. GARY CALLAGHAN AS A DIRECTOR, WHO RETIRES BY ROTATION AND BEING ELIGIBLE IN ACCORDANCE WITH ARTICLE 86 OF ARTICLES OF ASSOCIATION OF THE COMPANY, OFFERS HIMSELF FOR REAPPOINTMENT.

Being an interested person for the purpose of Agenda item no. 3 (a), Mr. Gary Callaghan stepped down as Chairman and requested Mr. Pramesh Sharma to Chair the meeting and Mr. Pramesh Sharma chaired the meeting.

Mr. Anuj Patel proposed the motion as set under Item 3 (a) in the Notice, which was seconded by Mr. Hari Raj Naicker and thereafter the motion was put to vote.

By a show of hands, the meeting approved the motion and elected Mr. Gary Callaghan as a Director of the Company without any objection

Mr. Pramesh Sharma then requested Mr. Gary Callaghan to resume as the Chairman for the remaining business of the meeting.

10. TO APPOINT MR. ROHIT PUNJA AS A DIRECTOR OF THE COMPANY

The Chairman took up Item no.3 (b) relating to the appointment of Mr. Rohit Punja as a Director of the Company, liable to retire by rotation, in terms of the provisions of the Articles of Association of the Company. The Chairman informed the Members that Mr. Rohit Punja was appointed as an Additional Director of the Company, pursuant to the provisions of Article 83 of the Articles of Association of the Company on December 10, 2015 and holds office up to the date of the Annual General Meeting and being eligible had offered himself for re-appointment.

With the consent of the Members present, the Ordinary Resolution set at item no.3 (b) of the Notice, as given below, was taken as read:

“RESOLVED that Mr. Rohit Punja, who was appointed an Additional Director of the Company with effect from December 10, 2015 by the Board of Directors and who holds office up to the date of this Annual General Meeting of the Company and being eligible for re-appointment, be and is hereby appointed as a Director of the Company”.

The resolution was proposed by Mr. Anuj Patel and seconded by Mr. Hari Raj Naicker. The resolution was then put to vote by show of hands and was carried nem con.

11. APPOINTMENT OF AUDITORS

The motion was proposed by Mr. Anuj Patel and seconded by Mr. Mahendra Pal Singh and thereafter was put to vote.

By a show of hands, the meeting approved the motion and confirmed, without any objection, the appointment of the retiring auditors, M/s. PricewaterhouseCoopers, as the Statutory Auditors of the Company to hold the office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a fee to be agreed between the Auditors and Board of Directors.

12. AMENDMENT OF ARTICLES OF ASSOCIATION

The Chairman took up the agenda item no.5 for the Amendment of Articles of Association of the Company. The Chairman informed the Members that the amendments to the Articles of Association had been proposed to align with the provisions of the Companies Act 2015.

With the consent of the Members present, the Special Resolution set at item no.5 of the Notice, as given below, was taken as read:

“RESOLVED THAT pursuant to the provisions of Section 46 and any other applicable provisions of the Companies Act, 2015, the Articles of Association of the Company be and hereby amended as follows:

i. Substituting the below mentioned existing Article with new Article:

Article No.	Article Heading	Substituted Articles
Article 59	Notice	Subject to the provisions of the Act, a General Meeting of the Company may be called by giving at least twenty one day’s notice in writing or through an electronic mode, if nominated by the Member, but a General Meeting may be called after giving shorter notice, if, in the case of an AGM, all the Members entitled to attend and vote at the AGM agree before or at the AGM; and in the case of any other General Meeting, if consent is given by not less than ninety five percent of the members entitled to vote at such meeting before or at the General Meeting and notice of every general meeting of the Company shall specify the place, date, day and the hour of the meeting and shall contain a statement of the business to be transacted thereat and shall be given to such persons as are entitled to receive such notice from the Company, including Member, Directors, Auditor(s) and the relevant stock exchange(s) where the shares of the Company are listed.
Article 70	Voting in person and by Proxy	A Member who is entitled to cast two or more votes at the meeting may appoint two proxies, neither of whom need be a member of the company. If a member appoints one proxy only, that proxy shall be entitled to vote on a show of hands. If a member appoints two proxies, neither proxy shall be entitled to vote on a show of hands. Where the Member appoints two proxies and the appointment does not specify the proportion or number of the Member’s votes each proxy may exercise, each proxy may exercise half of the votes.
Article 151	Giving of Notices	A notice may be given by the Company to any Member either personally or by leaving it for him at his registered place of address or by sending it by post to him to his registered address or by sending to an email address, nominated by him.

Article 160	Indemnity	Subject to the provisions of the Companies Act, every Officer, Director, an employee, (present and former) and the Auditor, of the Company or its holding or subsidiary company shall be indemnified: (a) for any costs incurred by him in any proceeding, whether civil or criminal, that relates to a liability for any act or omission in his capacity as Officer, Director, Employee or Auditor of Company and in which judgment is given in their favour, or in which they are acquitted, or which is discontinued (b) in respect of liability to any person other the Company or its holding or subsidiary company for any act or omission in their capacity as an Officer, Director, Employee or Auditor of Company or for costs incurred in defending or settling any claim or proceeding relating to any such liability not being criminal liability or liability for breach of trust or fiduciary duty owed to Company.

ii. Delete Article 88 (b) "A director shall in any event cease to hold office at the end of the day upon which he attains the age of eighty years."

iii. Delete Article 88 (c) "No person over the age of eighty years shall be appointed, elected or re-elected a director."

iv. Insertion of a new Article as mentioned below:

New Article No.	Article Heading	New Articles
Article 160 A	Insurance	The Company may take and maintain any insurance, as the Board may think fit, on behalf of its Officer, Director, an employee, (present and former) and the Auditor, of the Company or its holding or subsidiary company, to meet all claims, losses, cost, expenses, fines, penalties or such other levies, or for indemnifying any or all of them against any such liability, not being liability to the Company or criminal liability, for any act or omission in their capacity as an Officer, Director, Employee or Auditor of Company or to meet costs incurred in defending any criminal proceedings that have been brought against such person in relation to any act or omission in their capacity as an Officer, Director, Employee or Auditor of Company and in which they are acquitted.

Mr. Mahendra Pal Singh proposed the motion which was seconded by Mr. Anuj Patel and thereafter the motion was put to vote by a show of hands and was approved nem con.

13. GENERAL DISCUSSION:

There was a general discussion and briefing on the operations of the Company. The Chairman responded to the comments, queries and suggestions from the Members.

The meeting concluded at 4.00 pm with a vote of thanks to the Chair from the floor.

Sd/-
Chairman

FMF FOODS LIMITED (Formerly FLOUR MILLS OF FIJI LIMITED)

PROXY FORM

Share Folio No. ……….…….……………
No. of shares held ……….……….…………..

The Company Secretary
FMF Foods Limited
P O Box 977,
Suva, Fiji.

I/WE……….………………………………………………………………………………………….….

of ………………..……………………………………………………………………………………….

being a member(s) of **FMF FOODS LIMITED** (formerly **FLOUR MILLS OF FIJI LIMITED)** *hereby*

appoint …………..……………………………………………………………………………………

or failing him/her…..……………………………………………………………………………………

as my/our proxy to vote on my/our behalf at the 45th Annual General Meeting of the Company, to be held at 4.00 p.m. on **30th October 2017** and at any adjournment thereof in respect of such business(es) as are indicated below:

Item No.	Business	Vote (*optional see note 1*)		
		For	Against	Abstain
General Business				
1.	To confirm the minutes of the previous Annual General Meeting held on 28th October 2016			
Ordinary Business				
2.	Adoption of Financial Statements for the year ended June 30, 2017 including Balance Sheet, Statement Profit & Loss and the report of the Board of Directors and Auditors			
3 (a)	Appointment of Director in place of Mr. Ajai Punja who retires by rotation and being eligible, seeks re-appointment			
3 (b)	Appointment of Director in place of Mr. Pramesh Sharma who retires by rotation and being eligible, seeks re-appointment			
4	Appointment of Messrs. PriceWaterHouseCoopers as Auditors of the Company			
Special Business				
5	Adoption of New Articles of Association of the Company			

As witness to my/our hands this…….…day of ………………..2017, at …………………………………

Signed by the said member (s) ………………………………………..……………………………….…….

In the presence of (Witnessed by)……….……………………………………………………………

Notes:

1. Please put a tick mark (√) in the appropriate column against the resolutions indicated in the box. It is optional to indicate your preference. If you leave the 'for', 'against' or 'abstain' box blank against any or all of the resolutions, your Proxy will be entitled to vote in the manner as he/she may deem appropriate. Where more than one box against same item is ticked, the vote will be invalid on that item.
2. This form, in order to be effective, should be duly completed, signed, and deposited at the registered office of the Company, not less than 48 hours before the Annual General Meeting.
3. In the case of a body corporate, this form should be under its Seal or be signed by an officer or an attorney duly authorized by it.

For office use only:
Proxy received on ________________ at ______________ am / pm by ____________________________